

Agency Certification Instructions – Short Session FY 2020-21 – Part 2

After the budget becomes law, agencies work with their OSBM analysts to certify the official budget. Budget certification is done in the Integrated Budget Information System (IBIS). Agencies submit **certification entries**, which reflect adjustments (+/-) that appropriation bills have made to the existing approved budget. OSBM analysts review entries to ensure they accomplish what the budget bills intended. When all entries have been approved, OSBM analysts generate a **BD 307 Report**, which is the official certification report and reflects the budget as enacted by the General Assembly.

Prior to certification, agencies should review S.L. 2020-97 and these instructions to determine any new appropriations or allocations for their agency. Appendix A of this job aid has a list of all agencies impacted by the bill.

The enacted bill will serve as the primary documents used to certify the budget. Any allocations to state agencies contained in the bill will be certified this year in addition to any appropriations. The certification amount for an agency will equal the total amount of appropriations, allocations, and cash balance transfers contained in the enacted bill.

Step by Step Guide for Budget Certification:

***** Universities follow different procedures at certain steps. Please work with your OSBM analyst to complete certification for university budgets as noted below.**

- 1) **Use IBIS to certify the 2020-21 budget.** The direct link to the IBIS system is <http://ibis.nc.gov/ibis-webapp/IBIS.html>. If you have issues accessing the system, please email the IBIS Help Desk at NCIBIS-Help@osbm.nc.gov.
- 2) **IBIS User Guide - Certification.** For detailed instructions on how to use the Certification form in IBIS, see the Operating Certification user guide: http://ibis.nc.gov/ibisfiles/certification_operating.pdf
- 3) **Review Enacted Legislation.** Work with your OSBM analyst to review the enacted bill to ensure the agency is correctly balancing appropriation and allocation totals and that items are certified in the correct Budget Code and Fund Code.
- 4) **Create Certification Forms.** Agencies create new certification forms for expansion, reduction, and technical items. Agencies with complex certification entries should prepare a spreadsheet summarizing certification entries for OSBM review prior to creating certification forms in IBIS.
- 5) **Certifying Allocations and Cash Balance Transfers.** Some bill sections appropriate funds to an agency to be allocated to other state agencies and non-state entities. Both this appropriation and subsequent allocations need to be certified. Therefore, the certification entry for a state agency receiving state appropriation to be allocated must show in its expenditure accounts the transfers out to the agencies and entities receiving the allocations.

A state agency receiving an allocation must also submit a certification entry certifying this allocation in its receipt accounts. This same principal applies to cash balance transfers as well—one agency must certify the transfer out of the cash balance in its expenditure accounts and the receiving agency must certify the transfer in of these funds in its receipt accounts.

- 6) **Coronavirus Relief Funds.** For Coronavirus Relief Funds (CRF) appropriated to OSBM and allocated to state agencies, each agency will need to establish a CRF transfer-in receipt account within the North Carolina Accounting System (NCAS) in the appropriate budget code and fund code unless the accounts have already been established. [Table A in the OSBM Memo dated May 14, 2020](#), lists the receipt accounts that were to be established to receive CRF funds under S.L. 2020-4 and shall be used by those agencies to certify CRF allocations in FY 2020-21 (Additional accounts may have been established during the last round of certification, so this list may not be exhaustive).

Agencies that have already established funds for tracking CRF pursuant to the May 14 OSBM Memo will certify CRF allocations in these funds. Agencies that have not yet done this may establish at least one new budget code or fund code where CRF allocations will be certified and recorded. The title should match the overall purpose of the direct allocation or otherwise be referenced as COVID-19 Recovery Fund.

*****Exception for university budget codes, excluding NC School of Science and Math:** The UNC System Office and each campus will certify all expenditures and receipts from the Coronavirus Relief Fund within a General Fund budget code. The UNC System Office and OSBM have worked together to identify a systemwide NCAS/NC IBIS fund number, 1155, that will be used by each campus receiving COVID-19 funding.

- 7) **Certifying Amended S.L. 2020-4 Amounts.** The enacted bill amends the amounts appropriated and allocated in S.L. 2020-4, as amended. These amounts will need to be certified. When certifying these amended amounts, certify the difference between the new amount and the amount in S.L. 2020-4. For example, Section 1.2 increases the amount allocated to the Department of Public Instruction for connectivity from \$11,000,000 to \$21,000,000. Therefore, in this instance, the amount certified is \$10,000,000.
- 8) **Distribute Reserves.** With limited exceptions, such as reserves for salaries and benefits (see Step 10), OSBM directs agencies to avoid certifying funds to reserves. Rather, agencies should develop a plan for distributing those funds prior to certification. Correctly certifying those funds at the beginning of the fiscal year will reduce revision transactions later in the fiscal year.
- 9) **Basic Information Tab.** Fill out the Basic Information tab of the certification form, including Biennium, Fiscal Year, Session Law, Department/Agency, BRU, Budget Code, Committee Report Item Title, Budget Adjustment Type, and whether the item is recurring or non-recurring.
- If an item has both recurring and non-recurring adjustments, prepare a separate certification entry for each.
 - The item's title should be followed by a 'R' for recurring or a 'NR' for non-

recurring (Example: Compensation Increase Reserve – R; Veteran Teacher Bonus – NR).

- The Committee Report Item Number format for stand-alone bills is [Session Law Number – Section Number]. For items with both recurring and non-recurring adjustments, place an ‘A’ after the item number for the recurring item and ‘B’ after the item number on the non-recurring form. Together this information is used to identify the item. (Example for the Earthquake Disaster Recovery Fund appropriation to the Department of Public Safety in Section 2.4: Title “Earthquake Disaster Recovery - NR”; Item Number “97 S-2-4”).

10) **Position Tab.** Enter new and abolished positions on the Positions Tab of the certification form. The HR/Payroll System assigns position numbers for new positions when the agency initiates a workflow action (PCR). Budget personnel should coordinate with their agency HR personnel to ensure new positions and abolished positions are established or eliminated in both the IBIS and HR/Payroll systems. If your HR department will not be able to provide position numbers in time to complete certification, consult your OSBM analyst for further instructions.

11) **New Account/Cost Center Validation.** Agencies should work with the Office of State Controller (OSC) to validate any new accounts or cost centers they create as part of certification. New accounts and/or cost centers must be validated in advance for the certification entry to load correctly into the North Carolina Accounting System (NCAS). Agencies should run a validation report in IBIS to check for unvalidated accounts/cost centers: Public Folders > Self Service Reports > Administrative Reports > Revised Certification Account Validation (report for Short Session).

****Exception for university budget codes, excluding NC School of Science and Math: Work with your OSBM analyst to identify any new accounts required for certification. OSBM will need to establish the new accounts for you in IBIS and work with OSC for any new reserve accounts.*

12) **Running BD 307 Reports.** Once data has been entered on certification forms in IBIS, a BD 307 can be generated. (IBIS>Reports>Self Service Reports>Certification Reports>)

- There are two BD 307 report options: BD 307 Original Report and BD 307 Revised Report. **For certification of the short session budget for FY 2020-21, run the BD 307 Revised Report.**
- Agencies can run a BD 307 to include forms in **draft** status (at agency), **OSBM** status (meaning any forms residing at OSBM), or in an **approved** status. This allows agencies to create and review a BD 307 report before all certification entries have been approved.
- Agencies can also run a BD307 report showing all detail level accounts and cost centers by using the cost center prompts when creating a BD 307 report. Reviewing this detailed-level report helps ensure that items are certified to the correct accounts and cost centers. Work with your OSBM Development Analyst to correct any identified negative accounts.

- 13) **Notify OSBM.** Agencies should notify their OSBM Budget Development Analyst when all their certification entries have been submitted and are ready for review and approval. OSBM will then review, verify, and approve certification entries in IBIS.
- 14) **IBIS/NCAS Interface and Suspended Batch Master.** When all certification entries have been approved in IBIS and OSBM has verified the BD307 matches the certification totals provided, OSBM analysts will direct OSBM technical staff to produce files to upload to NCAS and CMCS. The CMCS file contains summary appropriation information. The NCAS file contains the certified and authorized budget amounts for the detail level accounts and cost centers.

*****Exception for university budget codes, excluding NC School of Science and Math:**

Universities will not have an NCAS file generated. Universities will interface their budgets with NCAS directly and are not subject to the suspension process described below.

NCAS will load any submitted files each night and place the certified and authorized budgets in the **Suspended Batch Master (SBM)** for the agency to review/release (authorized and certified totals will be the same during the certification process). Suspended Batch Master allows the agency to do a final review before the file is released and posts to the General Ledger (GL) in NCAS. The data in the Suspended Batch Master file reflects the agency's budget as it exists in IBIS. Agencies should **NOT** change the data in SBM before releasing it to post. If an agency changes a fund or account number while in the Suspended Batch Master, NCAS will not match what is in IBIS.

- **OSC has posted guidance on how to handle releasing annual budget batches from IBIS to NCAS on its website:** <https://www.osc.nc.gov/state-agency-resources/north-carolina-accounting-system-ncas/ncas-procedures/handling-annual-budget>
For additional help, contact the [OSC Help Desk \(support.services@osc.nc.gov\)](mailto:support.services@osc.nc.gov), 919-707-0795, <https://www.osc.nc.gov/contact/contact-osc-support-services>.
- **If you find incorrect information in your budget file, delete the entire file out of the SBM and work with OSBM to make corrective certification entries in IBIS.** OSBM will re-send the file to NCAS once the corrections have been made in IBIS. Re-check the data in Suspended Batch Master to ensure it has been corrected.
- When the file is correct, the agency must release the file from Suspended Batch Master before it posts to NCAS. Once released, it will show up in NCAS the following day. If your accounting office is not sure how to release the file in SBM, read the guidance linked above and/or contact the [OSC Help Desk \(support.services@osc.nc.gov\)](mailto:support.services@osc.nc.gov), 919-707-0795.
- If there are minor detail cost centers errors (RCC level), you can release the file to post to the General Ledger and do a budget revision to correct the problem in IBIS and NCAS. This will guarantee that both systems agree and that authorized adjustments are tracked correctly.

- If there are errors and you do not know what action to take, contact your OSBM analyst to discuss the best option for fixing the problem.

15) **BD 701 Report.** Once you have released the file from SBM (****or interfaced with NCAS if a university*), run a BD 701 report the following day make sure its certified and authorized amounts match the BD 307. NCAS will update overnight. This step guarantees that the correct budget was loaded into NCAS and matches the official budget contained in IBIS. It will also give you a point in time 'snapshot' of the budget before new year budget revisions are approved and load into NCAS.

16) **Official Certification Copy.** The budget is only considered certified once it carries the signature of the State Budget Director on a signed BD 307. Your Budget Development Analyst will send an electronic copy to the agency.

Agency Certification Checklist

- ☐ 1. Review enacted bills for your agency's appropriations and allocations.
- ☐ 2. Establish any needed funds/accounts for Coronavirus Relief Fund (CRF) allocations.
- ☐ 3. Create certification entries for any appropriations, allocations, and cash balance transfers.
- ☐ 4. For any amended SL 2020-4 amounts, make sure you are certifying the difference between the new amount and the old amount.
- ☐ 5. Validate accounts using the IBIS report Revised Certification Account Validation (Self Service Reports>Administrative Reports> Revised Certification Account Validation).
- ☐ 6. Review accounts in draft BD307 to identify any negative accounts and work with OSBM Budget Development Analyst to resolve.
- ☐ 7. Notify OSBM that you are ready to certify.
- ☐ 8. Once in Suspended Batch Master, review one last time before releasing.
- ☐ 9. Release file in Suspended Batch Master.
- ☐ 10. Review BD 701 report the day after file release to ensure that the certified and authorized amounts match the BD307.

Appendix A: Agencies Impacted by S.L 2020-97

Administrative Office of the Courts
Department of Administration
Department of Agriculture and Consumer Services
Department of Commerce
Department of Health and Human Services
Department of Information Technology
Department of Natural and Cultural Resources
Department of Public Instruction
Department of Public Safety
Department of Revenue
NC Community College System
NC Housing Finance Agency
Office of State Budget and Management
State Board of Elections
University of North Carolina System Office/Board of Governors
Eastern Carolina University
Fayetteville State University
University of North Carolina Chapel Hill
University of North Carolina Charlotte